



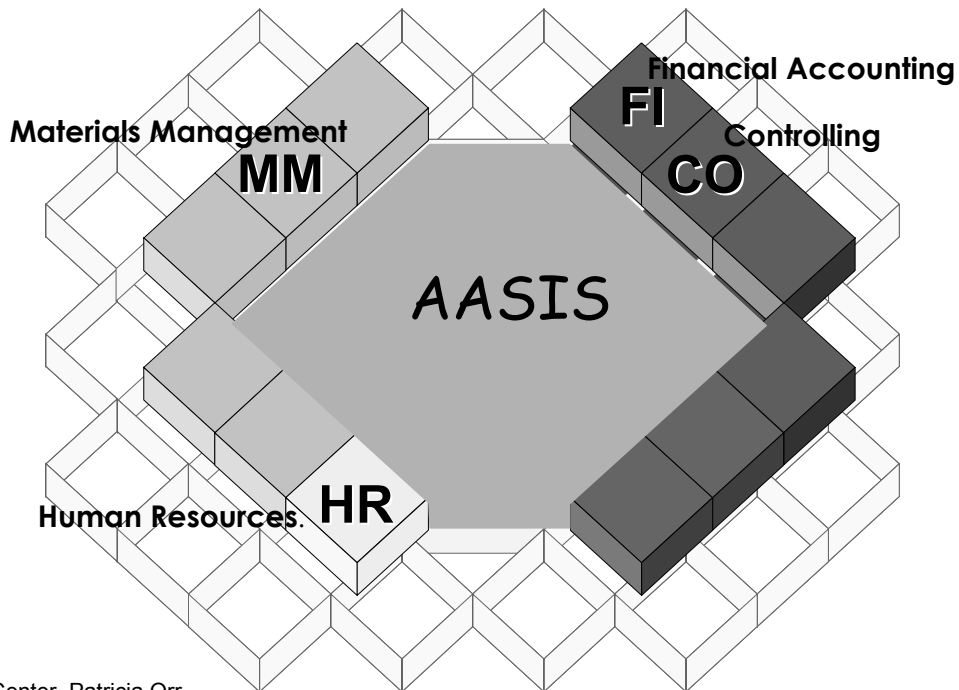
# **ASSET MANAGEMENT 101**

## **MODULE 1**

### **Overview**



# The AASIS Applications



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The core applications for AASIS include:

- Financial Accounting (FI)
- Controlling (CO)
- Materials Management (MM)
- Human Resources (HR)

Asset Management is a part of the Financial Module of AASIS.



# ASSET MANAGEMENT

Agencies must maintain asset master records for items which are considered assets according to DF&A accounting regulations. The regulations define capitalized assets as any item over \$2,500. This value includes taxes, shipping, handling and any other cost associated to the asset.

Items between \$500.00 - \$2,499.99 are considered low value assets and are maintained as such. Controlled items, such as, weapons, radios, cell phones, etc., that are under \$500.00 may also be maintained as low value assets.

Assets may be purchased, donated, discovered items, and/or capital projects (assets under construction).



# PURCHASED ASSETS

The following are the processes recommended by the AASIS Support Center for creation and purchasing assets:

- AS01 – Create Asset Master Record
- ME51N – Create Purchase Requisition
- ME54N – Requisition Approval
- ME21N – Create Purchase Order
- ME28 – Purchase Order Approval
- MIGO – Goods Receipt
- MIRO – Invoice Payment



# DONATED ASSETS

Items that are donated (given charitably to a State agency) and meet the criteria for assets must be maintained in AASIS.

These items are considered a gift and should not be posted as an expense to the receiving agency's budget. Therefore, these assets are assigned to the appropriate non budget relevant (NBR)\* asset class.



# DONATED ASSETS (cont.)

The agency will create the asset shell and send an email to DFA/Office of Accounting requesting that the value be posted. The request to DFA/Office of Accounting must include the asset number, capitalization date, and value.

Values should be determined by one of the following methods:

1. fair market value
2. catalog price
3. value assigned by the donor
4. appraisal of historical item

\*Asset class determination is discussed later in this module.



# DISCOVERED ASSET

An item is discovered and the initial accounting treatment (for the original purchase or acquisition) is unknown. The original accounting process was most likely to expense the cost of the item. This means that the acquisition has already posted against budget and recording the item as an asset should not be budget relevant in the current fiscal year. Therefore, these assets are assigned to the asset class of non budget relevant (NBR)\*.

An asset must be created, value determined, capitalization date determined. This information is then emailed to DFA/Office of Accounting for value posting.



# ASSET CLASS

## The Asset Class:

- is used to classify fixed assets
- forms a template for the asset master record
- establishes the connection between the asset master record and the G/L postings





# ASSET CLASS - NBR

Asset classes with NBR after the description are non budget relevant asset classes. This class is selected for those items that have been acquired as a gift or donation or for a discovered asset only.

These assets should not be posted as an expense to the receiving agency's budget, therefore the transaction is not budget-relevant.

**NOTE: DO NOT USE THE NBR (NON-BUDGET RELEVANT) ASSET CLASSES FOR ANYTHING BUT DONATED, CONFISCATED OR DISCOVERED ASSETS.**



# DEPRECIATION

There are two depreciation areas in AASIS. Both depreciation areas are shown in the asset master record:

- Depreciation area 01 - 100% depreciation in the month of acquisition and is shown as capital outlay for all assets
- Depreciation area 20 - Straight line depreciation  
Depreciation of capitalized (area 20) items (see note page) is posted each month based upon the capitalization date and the recommended useful life of the asset. The depreciation program is currently run each month by the ASC.

The following asset classes do not depreciate in Area 20:

- 1000 – Land
- 2100 – \*Equip low value
- 3000 – Works of art
- 2101 – Equip low value collective
- 2300 – DIS DP equip low value
- 3020 – Low value works of art
- 8000 – Assets under Construction

\*Equip low value fully depreciates in 01 and 20 during period of acquisition.



# CAPITALIZATION DATE

The capitalization date is the value date of an asset. The system determines the asset value date from the first posting that results in the capitalization of the asset.

For items that are discovered or donated this date must be determined according to when the asset was put into use. The date is entered when the values are posted to the asset master record.



# RECOMMENDED USEFUL LIFE

The recommended useful life is the reasonably expected length of time for using the asset and applies only to Depreciation area 20. Within this time period, the asset should be completely written off. The actual technical life of the asset can exceed this time period.

The DF&A Office of Accounting has determined that the recommended useful life in the asset master record class code description is the useful life that is to be used.



# ASSET UNDER CONSTRUCTION

An Asset under Construction (AuC) is an asset that is in the process of being constructed, e.g., building, road, etc. It is a temporary asset and will not be depreciated in area 20. It will be distributed and settled when the construction has been completed. Upon settlement, it will be capitalized and begin depreciation.

At the beginning of the construction process, a WBS capital project is set up to capture costs associated with the AuC. At the end of the fiscal year or the completion of the project, whichever comes first, the capital project is settled. The costs associated with the project are then posted to the AuC. The AuC is then distributed and settled to a capitalized asset when the project is completed. This process is taught in another AASIS class.

Construction costs are collected in WBS elements contained in a Capital Project.



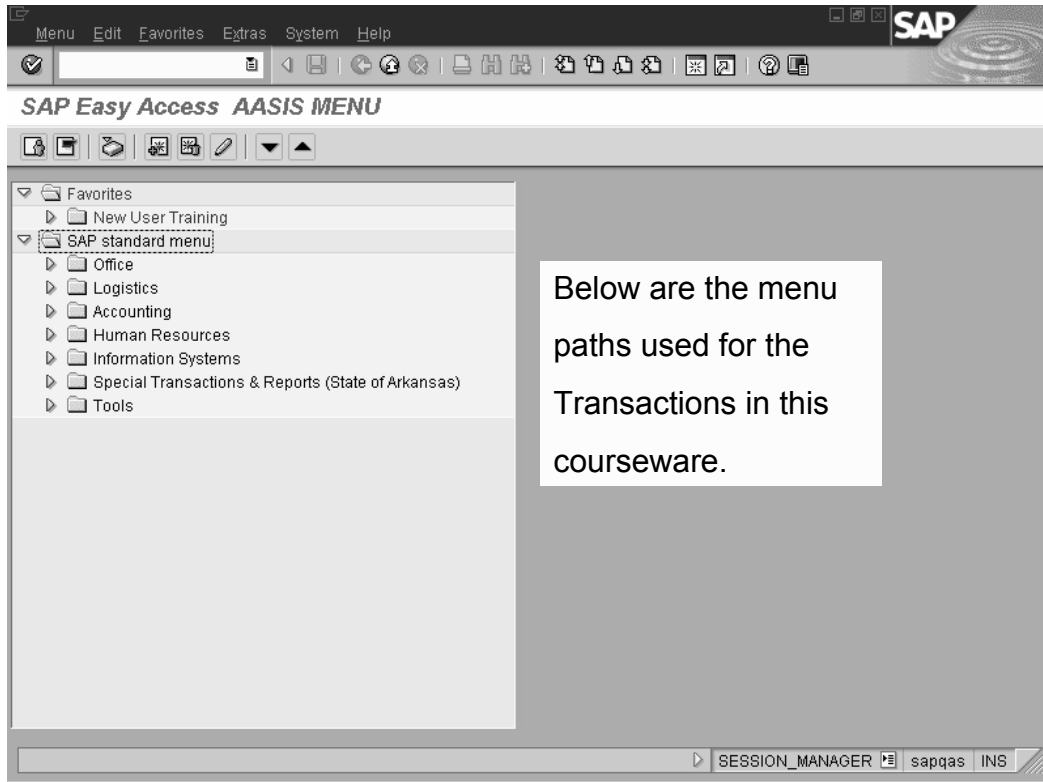
Capital Project is settled to Asset Under Construction.



Asset Under Construction is settled to asset.



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## 1. Create Asset Master Record:

Accounting> Financial Accounting> Fixed Assets>  
Asset> Create> Asset

## 2. Change Asset Master Record:

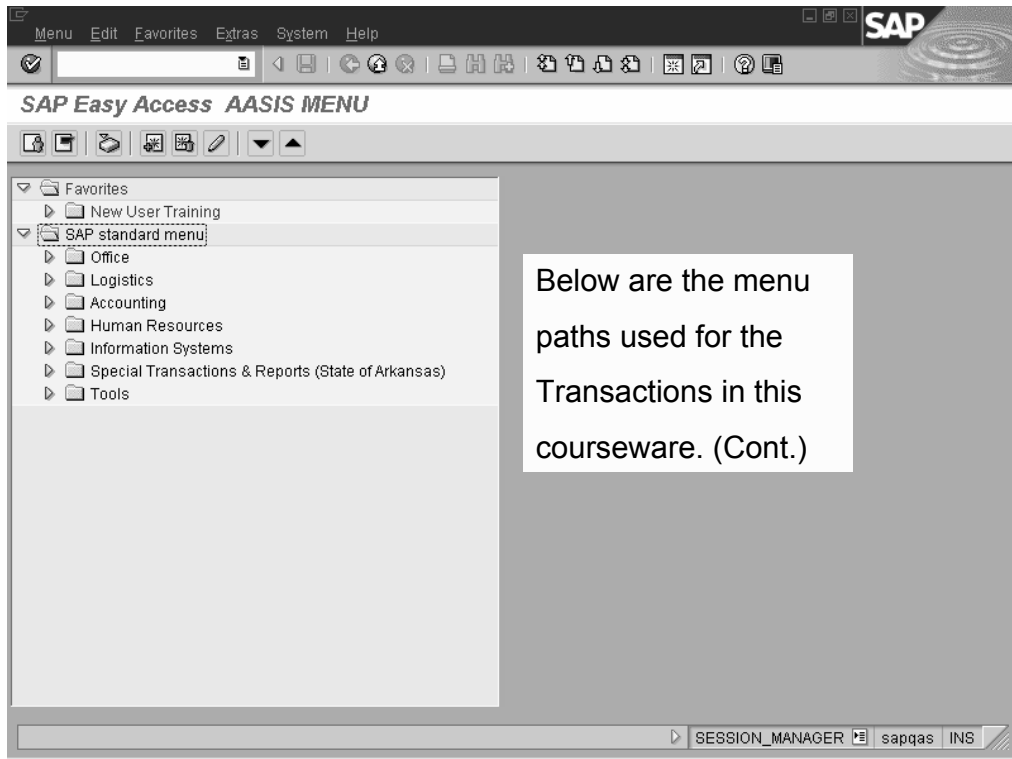
Accounting> Financial Accounting> Fixed Assets>  
Asset> Change> Asset

## 3. Display Asset Master Record:

Accounting> Financial Accounting> Fixed Assets>  
Asset> Display> Asset

## 4. Block Asset:

Accounting> Financial Accounting> Fixed Assets>  
Asset> Lock> Asset



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## 5. Create Asset Sub-Number:

Accounting> Financial Accounting> Fixed Assets> Asset>  
Create> Sub-Number> Asset

## 6. Asset Retirement by Scrapping

Accounting> Financial Accounting> Fixed Assets> Postings>  
Retirement> Scrapping

## 7. Asset Explorer:

Accounting> Financial Accounting> Fixed Assets> Asset>  
Asset Explorer

## 8. Asset Balances:

Accounting> Financial Accounting> Fixed Assets>  
Environment> Worklist> Generate

## 9. Fixed Asset List:

Special Transactions and Reports>Financial Accounting>Fixed  
Assets>Fixed Asset List